

OSD Declassification/Release Instructions on File

March 4, 1959

MEMORANDUM FOR THE CHAIRMAN OF THE USIB WORKING GROUP ON
INTELLIGENCE COST DATA

SUBJECT: Special Working Group Report

The Special Working Group has been meeting regularly since the last meeting of the parent working group to produce a formula for the reporting of intelligence cost data which is generally adaptable to all USIB member agencies.

You will recall that at the last meeting a stub (Tab A) was submitted with a detailed explanation of its major features. While not entirely adaptable in its original form, it was considered by the members to be sufficiently close to a workable formula that it could be used as a point of departure for the development of a universally acceptable instrument.

The method of procedure in the Department of Defense was to have the military departments and the JCS indicate those items for which they could produce figures and could enter in a stub. As anticipated, this followed the general line of dissimilarities which had made the problem a difficult one from the beginning. However, from these submissions it was possible to derive a report format (Tab B) which all could accept. In general, this revised version is a revision of Tab A. The most important departure from the earlier version is the elimination of Section 3, Auxiliary Activities. The reasons for this were twofold. In some DOD accounting procedures it is difficult to derive figures for the specific items enumerated in No. 3 with any assurance of accuracy. Secondly, it is considered that by distributing these figures among the major items in Sections 1 and 2 as indirect obligations, a more realistic and meaningful picture of the costs in these major categories can be obtained.

Mr. Tod has brought along a chart (see Explanatory Note, Tab C) which demonstrates the degree of comparability of the intelligence organizations in the major intelligence activities. The figures used were the FY 58 costs.

The elimination of Section 3 is also favored by the State Department. The distribution of these costs among the line items in Sections 1 and 2 is generally similar to the DOD method and follows the same general rationale.

In all cases man-years will be supplied wherever a cost figure is

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Date 1 APR 1981 Reviewer [redacted]

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